



# Procurement Transformation – Fact Sheet

December 1, 2010

*Several key economic, political, legislative, and operational challenges are driving the need to transform North Carolina's procurement function.*

- Potential short-term budget shortfall of \$3.5-4B; decreasing revenue for business services
- Selected by BRAC as one of first areas for potential for cost savings
- SB1213 directs DOA and other agencies to implement a number of procurement changes

*The vision of Procurement Transformation is to “create a customer-focused enterprise to achieve increased procurement effectiveness, efficiency, and compliance”* which will result in significant financial benefit for taxpayers by reducing the costs of acquiring goods and services.

*The State should expect to benefit:*

- More consistency across the enterprise to leverage the State's buying power, resulting in better value and more effective use of taxpayer money
- More efficient processes and systems to support providing customers what they need—when they need it
- Enhanced procurement and contract management training programs to enable employees to better serve their customers and the taxpayers of North Carolina

*DOA will be the business owner delivering enhanced capabilities* and improving competitive and transparent purchasing on behalf of the State. DOA, ITS, OSBM and OSP—as well as other agencies—will work together to achieve the vision for Procurement Transformation. The Department has selected a contractor that has done extensive procurement transformation work across public and private organizations to support this initiative.

DOA's Division of Purchase and Contract, IT Procurement, other Executive Agencies, and Community Colleges will be among those asked to work closely with the team during the Assessment. The Legislature, Judiciary, and K-12 schools—as well as county and local governments—are not in scope. Data in some of these areas will be used to better inform the Assessment and recommendations.

*The project is planned to be completed in three (3) phases: Assessment, Design, and Implementation.* During the first two phases, the team will assess and make recommendations about:

- **Strategic Sourcing** – to identify areas of potential savings through statewide contracts
- **Strategy and Governance** – recommend an operating model and roles/responsibilities for procurement across the various organizations in State government
- **Organization** – an assessment of organizational structures, job descriptions, career paths and personnel training for central and agency procurement staff
- **Technology** – an assessment of current procurement systems and recommendations for opportunities to enhance/replace current tools

The project team will engage stakeholder groups to understand the goals, challenges, concerns, and previous successes to guide the assessment, design and implementation of approved recommendations.

*The Assessment will be complete in March 2011.* Recommendations resulting from the Assessment are due by early April 2011. Recommendations approved by leadership will be prioritized and some will be implemented in 2011, while others will be phased in over time.